

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

**POLARIS OPERATING, LLC, *et al.*,

Debtors.**

CASE NO. 23-32810 (CML)

CHAPTER 11

(JOINTLY ADMINISTERED)

**RESPONSE OF NOVA COMPRESSION, LLC
TO CURE AMOUNT SET FORTH IN THE CURE NOTICE**

Nova Compression, LLC (“Nova”) hereby files this Response to the Cure Amount contained in the Cure Notice filed herein by Debtors Polaris Operating, LLC, et al. (“Polaris” or the “Debtors”). The Cure Notice form is attached to this Court’s Order filed on November 21, 2023 [Doc. No. 222]. The Cure Amount specified in the Cure Notice exceeds the actual amount owed to Polaris to cure the monetary default under the executory contracts between Nova and Polaris. Nova is filing this Response to provide the correct amount of the Cure Amount as of the filing of this Response. In support of this Response, Nova states as follows:

1. On July 28, 2023 (the “Petition Date”), the Debtors filed their voluntary petition for relief under Chapter 11 of the United States Code with this Court.

2. On October 17, 2022, Nova and Polaris entered into a Master Service Agreement and fourteen (14) separate Schedules (collectively, the “Contract”) wherein Nova agreed to provide gas compression equipment and services to Polaris on fourteen (14) separate well locations.

3. Pursuant to the Contract, Nova has provided (and continues to provide) compression equipment to Polaris and performed various maintenance services with respect to

the equipment on those well locations. In exchange, the Debtors paid monthly rental payments to Nova pursuant to the Contract. Nova understands that the compression services provided under the Contract are to wells that are part of the Mesa Vista Asset group the Debtor proposes to sell.

4. As of the Petition Date, the Debtor owed Nova \$291,848.74 (the “Pre-Petition Amounts Due”) on account of services provided under the Contract.

5. On or about November 16, 2023, the Debtors filed an Emergency Motion seeking, among other things, this Court’s approval of procedures for Assumption and Assignment of Executory Contracts and Unexpired Leases. [Doc. No. 211]. The Debtors attached the Cure Notice as an Exhibit B [Doc. No. 211-2] to the Emergency Motion and, subsequently, revised Schedule 1 to the Cure Notice to include a list of executory contracts the Debtors intend to be assumed and assigned. [Doc. No. 211-2, at 2; Doc. No. 218-3].

6. This Court entered an Order granting the Emergency Motion on November 21, 2023 and approved the Cure Notice Procedures proposed by the Debtors. [Doc. No. 222].

7. In the Cure Notice, the Debtors list Nova as a counterparty to a contract with Polaris. [Doc. No. 218-3; Doc. No. 222, at 28]. The Debtors propose a cure amount of \$342,272.77 (the “Proposed Cure Amount”). [Doc. No. 222, at 28].

8. Nova agrees that it is a counterparty to the Contract with Polaris and does not oppose the assumption and/or assignment of the Contract. The Debtors have continued to make payments to Nova for post-petition services under the Contract. However, the pre-petition amounts are still due and there are amounts due from Debtors to Polaris for post-petition services through December in the amount of \$26,870.22. The Proposed Cure Amount exceeds what is necessary to cure the monetary default as of December 8, 2023.

9. Nova respectfully submits that the amount necessary to cure the default of Polaris

is \$318,718.96. If the sale does not close in December, 2023, another monthly invoice will be due in January, 2024 of \$48,389.02. Nova reserves the right to update the cure amount to a sale closing date as appropriate.

WHEREFORE, for the reasons set forth herein, Nova respectfully gives notice of the correct cure amount of \$318,718.96 as of December 8, 2023.

DATED December 8, 2023.

Respectfully submitted,

**HALL, ESTILL, HARDWICK, GABLE,
GOLDEN & NELSON, P.C.**

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**ATTORNEYS FOR NOVA COMPRESSION,
LLC**

CERTIFICATE OF SERVICE

The undersigned certifies that on December 8, 2023, a true and correct copy of the foregoing instrument was served, in accordance with the Federal Rules of Bankruptcy Procedure, via this Court's ECF notification system on all parties registered to receive electronic notice of filings in this case including the debtor's counsel, the trustee's counsel, the United States Trustee, and all parties requesting notice.

/s/Steven W. Soulé

Steven W. Soulé